

**FINAL REPORT  
OF THE  
PENSION MANAGEMENT  
OVERSIGHT COMMISSION**



**Indiana Legislative Services Agency  
200 W. Washington St., Suite 301  
Indianapolis, Indiana 46204-2789**

**November, 2002**

# **Pension Management Oversight Commission**

## **Membership Roster**

### **Representatives**

**Thomas Kromkowski, Chair**  
**South Bend**

**Lawrence Buell**  
**Indianapolis**

**Terry Goodin**  
**Crothersville**

**Richard Mangus**  
**Lakeville**

### **Senators**

**Allie Craycraft**  
**Selma**

**Joseph Harrison**  
**Attica**

**Larry Lutz**  
**Evansville**

**Thomas Weatherwax**  
**Logansport**

### **Laymembers**

**Claude Davis**  
**Columbus**

**Connie Lux**  
**Lafayette**

**William Gettings, Jr.**  
**West Lafayette**

**Steve Meno**  
**New Palestine**

### **Legislative Services Agency Staff**

**James P. Sperlik, Fiscal Analyst**

**Margaret Piety, Staff Attorney**

**November 1, 2002**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Commission can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

## **FINAL REPORT**

### **Pension Management Oversight Commission**

#### **I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES**

The Indiana General Assembly enacted legislation directing the Pension Management Oversight Commission (PMOC) under IC 2-5-12 to oversee and study public retirement funds in Indiana and to study other topics as assigned by the Legislative Council. The Commission consists of 12 members: 4 Senators, 4 Representatives, and 4 lay members. The Chair of the Legislative Council appoints the Chair of the Commission.

Under IC 2-5-12, the Commission is required to do the following:

1. Study the investment and management practices of the boards of the public retirement funds.
2. Determine what constitutes adequate wage replacement levels at retirement (including benefits from public retirement funds and social security) for public employees.
3. Study the impact of federal law and proposals concerning pensions, annuities, and retirement benefits.
4. Study the public safety officers' retirement funds established under IC 36-8.
5. Study methods and levels of funding for public retirement funds.

The Legislative Council assigned the following additional responsibilities to the Commission:

1. Review problems associated with delayed pension payments to recently retired public employees.

#### **II. INTRODUCTION AND REASONS FOR STUDY**

##### **A. Public Pension Fund Administrative Issues**

Since its inception in 1985, the Commission has provided a bipartisan forum for the study of proposed changes in the laws governing Indiana's public pension funds. This year, as it does each interim, the Commission reviewed administrative issues raised by the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). The main issue was to consider the topic assigned by the Legislative Council, namely the review of problems associated with delayed pension payments to recently retired public employees. The Commission also received the annual operational reports from both PERF and the

TRF, as well as testimony from TRF on major concerns they have about TRF.

#### B. Conversion of Excess Accrued Leave into the State Deferred Compensation Match Plan-Proposed Rule 31 IAC 5.

The Commission reviewed this topic at the request of the Chair, Representative Thomas Kromkowski.

#### C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

The Commission was asked by the Professional Firefighters Union of Indiana to consider a change in the disability language of the 1977 Police Officers' and Firefighters' Pension Fund regarding line-of-duty presumptions for lung cancer.

#### D. Judges Retirement Issues

The Commission agreed to hear two issues affecting the Judges' Retirement System: 1) Providing a cost of living adjustment (COLA) for members of the 1985 Judges' Retirement Fund; 2) Adding full-time magistrates to the 1985 Judges' Retirement Fund.

#### E. Suggested Study Topics from Commission Members

The Commission did not receive any additional study topics from Commission members.

### **III. SUMMARY OF WORK PROGRAM**

The Commission met three times during the interim following the conclusion of the 2002 Regular Session of the General Assembly and the 2002 Special Session. All three meetings were held at the State House in Indianapolis.

The first meeting, held on September 11, 2002, was devoted to an introduction and a discussion of the issues that the Commission planned to study during the 2002 interim.

The Commission heard testimony from Mr. Tom Miller, the Chair of the 1977 Police Officers' and Firefighters' Pension and Disability Fund Advisory Committee, and Mr. Tom Hanify, president of the Professional Firefighters' Union of Indiana. Mr. Hanify told the Commission that he would like to see changes to the disability language regarding line-of-duty presumptions for lung cancer. He said that a presentation of this topic would be made at the next Commission meeting and a legislative proposal would be provided.

The Commission also heard testimony from Mr. Bill Butler, director of PERF, and Mr. Ed Gohmann, fund counsel, on the issue of delayed pension payments to retired public employees.

On the topic of the conversion of excess accrued leave into the State Deferred

Compensation Match Plan, the Commission heard testimony from the Chair, Mr. David Larson, president of the Indiana State Employees' Association, and Ms. Mary Beth Braitman, outside counsel for the State Department of Personnel. Ms. Braitman was asked by the Commission to send an expedited letter to the Internal Revenue Service, requesting their opinion on the issue of mandatory vs. voluntary conversion of excess accrued leave into the State Deferred Compensation Match Plan. The Commission also heard from Mr. Bob Brown of the American Federation of State, County, and Municipal Employees (AFSCME) Council #62 on the topic of leave conversion.

The Commission heard testimony from Dr. William Christopher, director of TRF. Dr. Christopher told the Commission of recent accomplishments of the TRF, current programs underway at TRF, and concerns about TRF.

The Commission was asked by Representative Kromkowski to provide the staff with any topics which they would like to have the Commission review. Representative Kromkowski said that he will propose a retirement cost-of-living adjustment for members of the 1985 Judges' Fund and allow full-time magistrates to participate in the 1985 Judges' Fund.

At the second meeting, held on September 25, 2002, the Commission heard testimony from Ms. Lisa Harrison of Ice Miller, the legal firm representing the Indiana Deferred Compensation Committee, in whose name the proposed letter to the IRS will be sent, requesting a change in the Leave Conversion Rule.

Also at the second meeting, the Commission heard testimony from Mr. William Butler, director of PERF, and Mr. Ed Gohmann, fund counsel, on the topic of delayed payments to retired public employees and an overview of the employee retirement application process. The Commission also heard brief testimony from Mr. Butler on the Kevin Scott case. Mr. Scott, the former chief benefits officer for PERF, was escorted from the PERF building and his employment was terminated after PERF officials were informed of his past felony conviction for identify theft.

The Commission next heard testimony from Dr. William Christopher, director of TRF. Dr. Christopher told the Commission that the annual Operational Report for TRF will be available at the next Commission meeting. He also discussed projected pension payouts and the Reserve for Member Annuities.

The Commission was to receive a proposal from the Professional Firefighters Union of Indiana, but no one from the organization was present and no proposal was presented.

Next, the Commission heard testimony on two preliminary drafts (PDs) affecting the Judges' Retirement System. PD 3295 provides a cost-of-living adjustment to members of the 1985 Judges' Retirement Fund, and PD 3297 allows full-time magistrates to participate in the 1985 Judges' Retirement Fund. In addition, the Chair told the Commission he had received a letter from a judge in Vigo County proposing that a judge who served as a full-time judge *pro tempore* and is then appointed by the Governor and/or elected to the

position to receive credit for that time of service upon payment of the amortized contributions required for the length of service. Representative Kromkowski requested the preparation of a preliminary draft to accomplish the judge's request.

The Commission heard from a Commission member, Senator Craycraft, that he will be speaking with Ms. Mary Beth Braitman of Ice Miller regarding the feasibility of certain proposed legislation and will present the proposal at the next Commission meeting.

At the third meeting, held on October 23, 2002, the Commission heard testimony from Mr. Fred Biesecker, acting executive director of PERF, and from Dr. William Christopher, executive director of TRF. The annual reports for both PERF and TRF were distributed to Commission members.

The Commission also heard testimony on three issues concerning the Judges' Retirement System: A) providing a COLA for members of the 1985 Judges' Retirement Fund, PD 3295; B) adding magistrates to the 1985 Judges' Retirement Fund, PD 3297; and C) allowing a judge to purchase service credit for service as a full-time judge *pro-tempore*, PD 3563. The Commission voted seven to one to recommend introduction of PD 3295 to the 2003 Session of the General Assembly. The Commission voted eight to zero to recommend introduction of PD 3297 to the 2003 Session of the General Assembly. The Commission voted eight to zero to recommend introduction of PD 3563 to the 2003 Session of the General Assembly.

At the third meeting, the Commission heard testimony from Ms. Mary Beth Braitman regarding the letter to be sent to the Internal Revenue Service on the issue of state employee leave conversion.

Also at the third meeting, the Commission heard testimony on state employee leave conversion and vacation. PD 3676 allows state employees annually to convert at 100% of the current value unused accrued vacation and sick leave to cash or a contribution to the employee's deferred compensation plan account. No vote was taken on PD 3676.

At the third meeting, the Commission also heard testimony on TRF benefit payments. PD 3693 eliminates the requirement that the last retirement benefit paid by TRF be prorated at the member's death. The Commission voted eight to zero to recommend PD 3693 for introduction to the 2003 Session of the General Assembly.

In addition, at the third meeting, the Commission heard brief testimony from Mr. Robert Byrd, representing the seven police officers of the Northern Indiana Transportation Commuter District (NICTD), on the topic of the police officers joining the 1977 Police Officers' and Firefighters' Pension and Disability Fund. No additional Commission action was taken.

The Commission voted eight to zero to adopt the draft copy of the final report which would include the actions taken at the third meeting.

#### **IV. SUMMARY OF TESTIMONY**

##### **A. First Meeting (September 11, 2002)**

The Commission reviewed the issues it planned to study during the interim following the conclusion of the 2002 session of the General Assembly.

At the first meeting, the Commission heard testimony from Mr. William Butler, director of PERF, and Mr. Ed Gohmann, fund Counsel, on the issue of delayed retirement payments to public employees. Mr. Butler and Mr. Gohmann distributed exhibits detailing regular and disability retirement processing from May 2002 to August 2002. Mr. Butler told the Commission that PERF is not processing as many applications as they are taking in, but he said that the rate has leveled off. Mr. Butler said that a major problem in processing applications is the flow of information from employer to PERF. He said that accurate and timely information is the life-blood for PERF in providing good service. Mr. Butler told the Commission that he and his staff are working with employer groups to make the data provided to PERF easier to understand and quicker for PERF to receive. Mr. Butler said that recent legislation allows PERF to provide an estimated benefit (85% of the total benefit) to a recipient until his final benefit is calculated.

The Commission received testimony on the conversion of excess accrued leave into the State Deferred Compensation Plan. Representative Kromkowski told the Commission that the Cafeteria Plan has been superceded by the Leave Conversion Plan. He said that the Leave Conversion Plan was to help pay for retiree health insurance. He said that he questioned the mandatory requirement of the Plan and said that he wants a voluntary plan and that he wants a letter sent to the Internal Revenue Service (IRS) to see whether the IRS accepts a voluntary plan. Representative Kromkowski said that if the IRS does not accept a voluntary plan, he will consider his options.

Next to address the Commission was Mr. David Larson, president of the Indiana State Employees' Association. Thanking Representative Kromkowski for his participation on the leave conversion issue to date, he said that he is requesting a 100% conversion rate as opposed to the 60% conversion rate as is now proposed.

Ms. Mary Beth Braitman, outside counsel for the State Department of Personnel, next addressed the Commission. Ms. Braitman was asked by the Chair to send a letter to the IRS, requesting their opinion on the issue of mandatory vs. voluntary participation as it relates to leave conversion. Ms. Braitman told the Commission that the IRS had an inventory of opinion requests, but that the backlog is coming down. She said that the response time varies. Representative Kromkowski requested that Ms. Braitman ask for an expedited response in the letter to the IRS.

The Commission next heard from Dr. William Christopher, director of the Teachers' Retirement Fund. Dr. Christopher told the Commission of recent accomplishments of TRF and current programs. He stated that as a result of an audit of TRF investments, some

changes are being made. He also said that bench marking results for TRF are comparable to a fund of similar size. Dr. Christopher told the Commission that an audit of the TRF members' health plan revealed complaints about the cost of the plan. Dr. Christopher also told the Commission that TRF has diversified its investments into private equity, with the exception of real estate. Dr. Christopher said that he and his staff are conducting outreach programs throughout the state and that the TRF web site ranked second among public pension funds for ease of member use.

Dr. Christopher identified some current programs underway at TRF. Among them are: 1) technology program in cooperation with the PERF; 2) member's service center; 3) revising TRF publications; 4) certifying TRF staff as pension administrators by the International Foundation of Employee Benefit Plans; 5) member survey; and 6) changing health administrators.

Dr. Christopher also related his concerns about TRF: 1) member education; 2) the unfunded liability of TRF which was the second worst in the nation after West Virginia; and 3) the ability to continue to pay a 13<sup>th</sup> Check from the Annuity Reserve Account, which is dwindling.

Commission members were asked to provide the staff with any topic which they would like to have the Commission review. Senator Craycraft said that he may have something for the Commission to review at its next meeting.

Representative Kromkowski said that he would propose a retirement cost-of-living adjustment for members of the 1985 Judges' Fund and allow full-time magistrates to participate in the 1985 Judges' Fund.

## **B. Second Meeting (September 25, 2002)**

Representative Kromkowski announced that while the Commission did not have a quorum, they would take testimony on the agenda topics.

The Commission heard from Ms. Lisa Harrison of Ice Miller, the legal firm representing the Indiana Deferred Compensation Commission, in whose name the proposed letter to the IRS will be sent, requesting a change in the Leave Conversion Rule. Ms. Harrison distributed two documents relating to the proposed letter to the IRS. One exhibit, Time Line for Internal Revenue Service Submission Leave Conversion, contains dates and the expected action to be taken on those dates regarding the submission of the letter to the IRS. The other exhibit, Proposed Revision to the State of Indiana Deferred Compensation Matching Plan-Leave Conversion, outlines the various proposed revisions to the Plan.

Representative Kromkowski called upon Mr. Bob Brown of the American Federation of State, County, and Municipal Employees (AFSCME) Council # 62. Mr. Brown stated that the leave should be voluntary and not mandatory and that the conversion rate should be 100% and not 60%. He also suggested that state employees have an opportunity to

participate in the leave conversion regardless of whether they have 300 hours or not. Mr. Brown also said that the issue should be negotiated between the State Department of Personnel and the employee unions.

Mr. William Butler, executive director of PERF, and Mr. Ed Gohmann, fund counsel, addressed the Commission on the employee retirement application process. Mr. Butler and Mr. Gohmann distributed five documents relating to the retiree application process. Among these were, Public Employees' Retirement Fund-State and Municipality Retirees, which shows the number of new retirees as of July 1, 2002, and the projected number of new retirees as of July 1, 2003, through July 1, 2010. Another exhibit, Public Employees' Retirement Fund-State and Municipality New Members Eligible for Retirement, shows the number of new members eligible for retirement as of July 1, 2002, through July 1, 2010. Public Employees' Retirement Fund-Annual Increase in New Retiree Processing shows the annual increase in retiree processing through the year 2010. In the last exhibit relating to retirement claims processing, Mr. Butler distributed Public Employees' Retirement Fund-Number of Regular Retirements Completed, which shows the number of new retirements completed and the number of applications by the number of days in process: 1) zero-30 days, 2) 31-60 days, 3) 61-90 days, and 4) over 90 days.

Mr. Butler told the Commission that the retirement application process "spikes " twice a year: 1) at the end of the calendar year; and 2) at the end of the school year. Mr. Butler said that he wants to reduce the number of applications over 90 days to zero. Mr. Butler told the Commission that PERF is re-engineering the retirement process as part of its ongoing efforts to make the process more efficient. He said that the IT system for retirement processing is 93-94% complete. Mr. Butler told the Commission that he anticipates some legislative changes to harmonize with the workloads, but there are no specifics yet.

Mr. Butler next distributed an exhibit, Public Employees' Retirement Fund-Call Center Highlights September 2002. This exhibit has a volume chart which shows the number of calls offered, the number of calls handled, and the average speed of answers. Mr. Butler told the Commission that the Center opened in May 2002 for the first time. He said that the goal of the Center is to answer calls and say "hello" within 25 seconds of the call.

In response to a Commission question, Mr. Butler said that about 50% of the retirement payments are electronic transfers direct to the recipient's account, and about 50% are checks. He said that the delay in processing checks does not affect electronic payments.

Mr. Butler next addressed the Commission on the Kevin Scott case. Mr. Scott, the former chief benefits officer for PERF, was escorted from the PERF building and his employment terminated after PERF officials were informed of his past felony conviction for identity theft. Mr. Butler said that immediately following Mr. Scott's termination, an immediate sweep of all accounts was made to determine if any unauthorized activity had occurred. Mr. Butler reported that no unauthorized activity had taken place. Mr. Butler concluded by saying that PERF is waiting for the conclusion of the investigations of the U.S. Secret Service, the Federal Bureau of Investigation, and local police.

Dr. William Christopher, executive director of TRF, addressed the Commission. He told the Commission that the TRF annual report would be available at the next Commission meeting. Dr. Christopher distributed two exhibits to the Commission, the first of which was the Short-Term Projected State Pension Payouts for Budget Estimates for Fiscal Years 2003-2007. This exhibit shows the estimated payouts for the years indicated and was based on the June 30, 1999, valuation data and assumptions, except that adjustments were made to the probabilities of retirement and cost-of-living adjustment projections were reduced by approximately seven percent.

The next exhibit distributed by Dr. Christopher, Retired Life Valuation Results and Estimate of Contingency Reserve for Member Annuities, showed that since 1991, \$100 million has been paid in 13<sup>th</sup> checks. Dr. Christopher told the Commission that the excess amount in the reserve account decreased from \$79 million to \$34 million in the last year. He also said that the excess may disappear next year altogether.

The Commission was to hear from the Professional Firefighters Union of Indiana on proposed changes to the disability language in the 1977 Police Officers' and Firefighters' Pension Fund, but no representative was present to discuss the proposal.

Representative Kromkowski distributed copies of proposed legislation addressing the Judges' Retirement System. PD 3295 would provide a cost-of-living adjustment to members of the 1985 Judges' Retirement Fund, while PD 3297 would allow full-time magistrates to become a participant in the 1985 Judges' Retirement Fund.

The Chair called upon Mr. Doug Todd of McCready & Keene, Inc., actuary for the Judges' Retirement System, to comment on the cost of the two proposals. Mr. Todd distributed an exhibit detailing the estimated cost for the two proposals. Mr. Todd told the Commission that together, the proposals would increase the unfunded accrued liability of the 1985 Judges' Retirement System by \$11.9 million and would increase annual contributions for the System by approximately \$113,000 per year over the next five years.

Representative Kromkowski told the Commission that they would vote on these proposals at the next meeting. Next, Representative Kromkowski distributed a letter from Barbara L. Brugnaux, Judge, Vigo County Superior Court, Division 5. In the letter, Judge Brugnaux requested that legislation be proposed that would allow a judge who has served as a full-time judge *pro tempore* and is then appointed by the Governor and/or elected to the position to receive credit for that time of service upon payment of the amortized contributions required for the length of service. Representative Kromkowski requested preparation of a preliminary draft to accomplish this.

### **C. Third Meeting (October 23, 2002)**

The Commission heard testimony from Mr. Fred Biesecker, acting executive director of PERF, and from Dr. William E. Christopher, executive director of TRF. Each distributed copies of their respective annual reports and commented briefly on its contents.

## 1. PERF and TRF Annual Reports

Mr. Fred Biesecker, acting executive director of PERF, commented briefly on the Annual Report. He told the Commission that the performance of PERF is better than 3/4 of funds in its peer group. He said that there was a \$400 million decline in PERF market value over the last year. Mr. Biesecker told the Commission that the PERF Board of Trustees adopted a new hiring and screening policy which applies to new hires and current employees. He said that an Acting Chief Benefits Officer will be hired soon. He said that five new hires in the benefits area have been approved by the Governor's Freeze Committee. Mr. Biesecker told the Commission that he is working with Dr. Christopher of TRF to improve the computer system of both funds. He also said that the early retirement initiative may require additional staff in the benefits area. In response to a Commission question, Mr. Biesecker said that the executive director's position is done by the PERF Board of Trustees, with the Governor's approval. Other hires are approved by the Board of Trustees, per the new hiring and screening policy. He said that the Governor's office is not involved with the screening and hiring.

The Commission next heard from Dr. William Christopher, executive director of TRF. Dr. Christopher distributed copies of TRF's Annual Report to Commission members. He said that TRF was the top fund for three years running in investment performance, exceeding indexes every year. He said TRF expenses have declined by 11% over the last year. Dr. Christopher said that the old fund is 42.96% funded. He said that the new fund is 53% funded overall. Dr. Christopher told the Commission that the Pension Stabilization Fund has approximately \$1.8 billion. He also pointed out that TRF is a low-cost fund compared to other funds. He said that TRF has the lowest cost for fixed investments. In response to a Commission question, Dr. Christopher said that the unfunded liability of the TRF amounts to \$7.7 billion, as of June 30, 2001. He said that he expects the June 30, 2002, number very soon.

## 2. Judges' Retirement System Issues

Staff explained PD 3295 which provides a COLA for members of the 1985 Judges' Retirement Fund. This COLA is the same that is granted to members of the PERF and the TRF by the General Assembly. Staff also explained PD 3297 which added full-time magistrates to the 1985 Judges' Retirement Fund, and PD 3563 which allows a judge to purchase service credit for service as a full-time judge *pro tempore*. The fiscal notes for the three proposals were provided to Commission members.

Mr. Doug Todd, of McCready & Keene, actuaries for the Judges' Retirement System, commented briefly on the fiscal impact of the three proposals.

The Commission heard testimony from Judge Thomas Milligan, president of the Indiana Judges Association (IJA). Judge Milligan addressed the Commission on the three Judges' Retirement issues that had been presented at the previous meeting of the Commission:

- A) Providing a COLA for members of the 1985 Judges' Retirement Fund.
- B) Adding full-time magistrates to the 1985 Judges' Retirement Fund.
- C) Allowing a judge to purchase service credit for service as a full-time judge *pro tempore*.

Judge Milligan said that he supports the three proposals and views them as parity legislation.

### 3. Leave Conversion - Letter to the Internal Revenue Service (IRS)

Ms. Mary Beth Braitman told the Commission that the letter had been filed with the IRS on October 18, 2002. She distributed a new timeline for this effort. She said that they are awaiting word from the IRS.

### 4. Leave Conversion - Preliminary Draft 3676

Staff explained the proposal, along with the fiscal impact. Representative Kromkowski told the Commission that no vote would be taken today on PD 3676. He said that he is troubled by the maximum vacation days contained in PD 3676. He said that he does not want to micro-manage the State Department of Personnel. He also said that he would have this bill prepared in his name for introduction in the 2003 Session of the General Assembly.

The Commission also heard testimony from Mr. David Larson, president of the Indiana State Employees Association. He said PD 3676 would give employees control of their money and accumulated leave. William Gettings, Commission member, suggested that the conversion plan be limited to retiring state employees, while Senator Weatherwax suggested that the proposal be tied-in to the governor's early retirement plan.

### 5. Senator Craycraft Proposal

Senator Craycraft announced that he has no proposed legislation at this time and that he is handling the issue administratively.

### 6. Teachers' Retirement Fund - Preliminary Draft 3693

Staff explained the proposal to the Commission. PD 3693 eliminates the requirement that the last retirement benefit paid by TRF be prorated to terminate at the member's death. Dr. Christopher told the Commission that he supports PD 3693.

### 7. Northern Indiana Commuter Transportation District (NICTD)

The Commission heard testimony from Mr. Robert Byrd, representing the seven police officers of NICTD. Mr. Byrd told the Commission that NICTD was created in 1977 to

operate the South Shore Railroad. He said that he and the seven officers are currently under civilian PERF. Mr. Byrd told the Commission that he and the other officers want to join the 1977 Police Officers' and Firefighters' Pension and Disability Fund because it has a better disability component and has transferability. He said that the Fraternal Order of Police (FOP) supports the effort. Mr. Byrd told the Commission that he wants to transfer the PERF contributions to the 1977 Police Officers' and Firefighters' Pension and Disability Fund. He said that there would be no cost to NICTD. A fiscal note on this proposal was made available to Commission members by the staff. Mr. Tom Miller, Chair of the 1977 Police Officers' and Firefighters' Pension and Disability Fund Advisory Committee told the Commission that he has no problem with the proposal except who is actuarially funding the benefits. Representative Kromkowski said that he would have a bill prepared for introduction in the 2003 Session of the General Assembly to put the NICTD police officers into the 1977 Police Officers' and Firefighters' Pension and Disability Fund. No Commission action was taken.

## **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Commission made the following recommendations:

1. The Commission voted seven to one to recommend PD 3295 to the 2003 Session of the General Assembly. PD 3295 provides a COLA for members of the 1985 Judges' Retirement Fund. This COLA is the same that is granted to members of the PERF and the TRF.
2. The Commission voted eight to zero to recommend PD 3295 to the General Assembly. PD 3297 adds full-time magistrates to the 1985 Judges' Retirement Fund.
- 3 The Commission voted eight to zero to recommend PD 3563 to the 2003 Session of the General Assembly. PD 3563 allows a judge to purchase service credit for service as a full-time judge *pro tempore*.
4. The Commission voted eight to zero to recommend PD 3693 to the 2003 Session of the General Assembly. PD 3693 eliminates the requirement that the last retirement benefit paid TRF be prorated to terminate at the member's death.
5. The Commission voted eight to zero to adopt the draft copy of the final report of the Commission which would be amended and updated to reflect the action taken at the third and final meeting of the Commission.

## WITNESS LIST

### **September 11, 2002**

Mary Beth Braitman, Ice Miller  
Dr. William E. Christopher, Executive Director, TRF  
William Butler, Executive Director, PERF  
Ed Gohmann, Fund Counsel, PERF  
Tom Miller, Indiana Professional Firefighters Union  
Tom Hanify, Indiana Professional Firefighters Union  
David Larson, President, Indiana State Employees Association

### **September 25, 2002**

Lisa Harrision, Ice Miller  
William Butler, Executive Director, PERF  
Ed Gohmann, Fund Counsel, PERF  
Dr. William E. Christopher, Executive Director, TRF  
Doug Todd, actuary for the Judges' Retirement System  
Robert Brown, American Federation of State, County, and Municipal Employees  
(AFSCME) Council # 62

### **October 23, 2002**

Mary Beth Braitman, Ice Miller  
Judge Thomas Milligan, President, Indiana Judges' Association  
Doug Todd, actuary for the Judges' Retirement Fund  
Dr. William E. Christopher, Executive Director, TRF  
Fred Biesecker, Acting Executive Director, PERF  
Tom Miller, Indiana Professional Firefighters Union  
Robert Byrd, Police Officer, Northern Indiana Commuter Transportation District  
David Larson, President, Indiana State Employees Association